

## Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 TRSE-00 NSC-05 NSCE-00 CIAE-00

DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00 PA-02 PRS-01

SP-02 SS-15 USIA-15 AID-05 OMB-01 SSO-00 EB-08 /092 W

-----110802Z 120868 /11

P R 110715Z MAR 77

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC PRIORITY 6062

INFO AMEMBASSY BONN

AMEMBASSY LISBON

AMEMBASSY PARIS

UNCLAS TOKYO 3449

DEPT PASS WHITE HOUSE AND TREASURY URGENTLY.

E.O. 11652: N/A

TAGS: EFIN, JA

SUBJECT: PRESS REPORTS OF CARTER-FUKUDA LETTER ON ASSISTANCE TO  
PORTUGAL

1. SUMMARY: JAPANESE PRESS MORNING MAR 11 CONTAINS REPORTS  
OF CARTER-FUKUDA LETTER URGING JAPANESE CONTRIBUTION TO  
PORTUGUESE LOAN PACKAGE. EXTENSIVE COVERAGE IN ECONOMIC  
DAILY, NIHON KEIZAI, SUGGESTS JAPAN WILL RESPOND COOPERA-  
TIVELY TO U.S. URGINS. END SUMMARY.

2. FOLLOWING IS INFORMAL TRANSLATION FULL TEXT ARTICLE  
APPEARING NIHON KEIZAI SHIMBUN MORNING MARCH 11. BEGIN  
TEXT:

"\$1.5 BIL AID TO PORTUGAL; CALLED FOR BY U.S. PRESIDENT;  
ABOUT \$300 MIL FOR JAPAN; FOR "DEFENSE" OF THE FREE WORLD.

ACCORDING TO A CLARIFICATION MADE BY A RELATED SOURCE  
ON THE NIGHT OF THE 10TH, U.S.PRESIDENT CARTER SENT A  
PERSONAL LETTER TO PRIMIN FUKUDA, IN ADVANCE OF THE U.S.-  
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JAPAN SUMMIT TALKS TO BE HELD ON THE 21ST AND 22ND, AND  
REQUESTED JAPAN'S "PARTICIPATION AS MONETARY AID WILL BE  
GIVEN TO PORTUGAL, WHICH IS HAVING INTL PAYMENTS DIFFICULTIES."  
THE TOTAL AMOUNT OF AID WILL BE ABOUT \$1.5 BIL (ABOUT 420  
BIL YEN), AND THE U.S. WILL SHOULDER \$500 MIL OF THIS  
AMOUNT. IT IS ASKING W. GERMANY, BRITAIN AND OTHERS,  
BESIDES OUR COUNTRY, TO SHOULDER THE REMAINING AMOUNT, AND IT

IS THOUGHT THAT THE AID AMOUNT TO BE BORNE BY JAPAN WILL BE ABOUT \$300 MIL. THE GOVT OF OUR COUNTRY HAS SOLIDIFIED THE POLICY OF COPING WITH THIS IN A FORWARD-LOOKING MANNER, AND IT WILL PROBABLY CONVEY TO THE USG INFORMALLY, EVEN JUST BEFORE THE U.S.-JAPAN SUMMIT TALKS, THAT "JAPAN IS PREPARED TO COOPERATE."

SINCE LEFT WING MILITARY CIRCLES SEIZED THE REINS OF GOVT IN A COUP D'ETAT IN APRIL 1974, COMMUNIST FORCES HAVE BEEN EMERGING RAPIDLY IN PORTUGAL. HOWEVER, ITS ECONOMY HAS REMAINED STAGNANT, DUE TO THE OUTFLOW OF FOREIGN CAPITAL, THE DECREASE IN REVENUE FROM TOURISM, AND DISBURSEMENTS FOR ANTI-GUERRILLA WARS IN OZS COLONIES. ITS FOREIGN CURRENCY RESERVES HAVE BEEN DECREASING STADILY, AND IN FEB OF THIS YEAR, IT WAS DRIVEN INTO THE DEVALUING OF THE ESCUDO.

THE U.S. FORMULATING THE POLICY OF GIVING MONETARY AID TO PORTUGAL THIS TIME COMES FROM ITS ATTACHING IMPORTANCE TO THE ECONOMIC SITUATION INPORTUGAL, AND IN THE BACKGROUND, IT IS CONSIDERED THAT THERE WERE THE FOLLOWING POLITICAL AIMS: (1) PORTUGAL OCCUPIES AN IMPORTANT POSITION, FOR THE FREE WORLD AND FROM THE STANDPOINT OF SECURITY; (2) ESPECIALLY, IT IS SITUATED NEAR THE STRAIT OF GIBRALTAR, WHICH IS AN IMPORTANT MILITARY AREA IN THE MEDITERRANEAN; AND (3) THERE IS THE WISH TO PUT A BRAKE ON THE FURTHER EMERGENCE OF COMMUNIST FORCES IN SOUTH EUROPEAN COUNTRIES.

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PRESIDENT CARTER'S PERSONAL LETTER DOES NOT TOUCH UPON SUCH DETAILED POINTS AS THE FINANCING METHOD. HOWEVER, IT SEEMS THAT SUCH FORMS AS LOANS BETWEEN CENTRAL BANKS OR LOANS BETWEEN GOVTS ARE BEING CONSIDERED. IN VIEW OF THE LARGENESS OF THE MONETARY AMOUNT, THERE IS A STRONG POSSIBILITY THAT IT WILL TAKE THE FORM OF SHORT-TERM LOANS BETWEEN THE CENTRAL BANKS, AS IN THE CASE OF THE LOANS WHICH OUR COUNTRY, THE U.S. AND WEST GERMANY EXTENDED TO BRITAIN LAST JUNE.

UNDER THE WORLDWIDE STAGNATION OF BUSINESS SINCE THE OIL SHOCK,THE DIFFERENTIALS BETWEEN THE INTL PAYMENTS SURPLUS BALANCE NATIONS AND THE DEFICIT BALANCE NATIONS HAVE BEEN WIDENING, AND RELIEF FOR THE DEFICIT NATIONS HAS NOW BECOME THE BIGGEST PROBLEM FOR THE INTL ECONOMY. THE U.S. LAUNCHING INTO AID FOR PORTUGAL, CALLING UPON OTHER ADVANCED INDUSTRIAL NATIONS, INCLUDING OUR COUNTRY, IS BEING TAKEN AS THE U.S. SHOWING ITS INTENTION OF TALKING THE INITIATIVE IN THE FIELD OF RELIEF FOR THESE DEE CIT

NATIONS, AND IN THE FUTURE, AT A SERIES OF INTL CONFERENCES,  
SUCH AS THE U.S.-JAPAN SUMMIT TALKS AND THE ADVANCED NATIONS  
SUMMIT CONFERENCE (SLATED FOR MAY IN LONDON), IT IS EX-  
PECTED THAT THE RETIGHTENING OF THE HOOP AMONG THE  
ADVANCED INDUSTRIAL NATIONS, CENTERING ON THE U.S., WILL  
COME TO TAKE CONCRETE SHAPE."  
SHOESMITH

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
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**Subject:** PRESS REPORTS OF CARTER-FUKUDA LETTER ON ASSISTANCE TO PORTUGAL  
**TAGS:** EFIN, JA, US, PO, (CARTER, JIMMY), (FUKUDA, TAKEO)  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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